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ABSTRACT

This issue focuses on the National Alliance of Business's work with employers to sort out how certificates can most effectively indicate workplace skills and requirements and confirm that certified individuals possess them. "Skills Certificates Signal Competencies in a Demand-Driven Economy" discusses the needs to which certificates respond; how the certificate trend is changing the profile of "educated" workers and the sum and substance of education and training; the quality of the knowledge and skills that certificates represent; "stackable" credentials; traditional education as a demand-driven system; and a model that relies on K-12 achievement. "Viewpoint" (Bruce D. Keener) considers how crucial certificates are in helping the labor market move at the speed of business. "Together, Businesses, Training Providers Set Standards for Skills Certificates" describes cooperation among the business community, community colleges, and workforce to supply skilled workers and "coopetition," in which companies compete for customers, but collaborate on standards for training and on ways to credential and certify job skills. "Certificates Make Community Colleges a Hot Spot in Skills Training" sees community colleges as natural partners for businesses and industries seeking to build a supply chain of workers, and advocates starting programs only if business and industry generate a need and using technology to assess competencies. (YLB)

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Skills Certificates Signal Competencies in a Demand-Driven Economy

WorkAmerica

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National Alliance of Business

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NATIONAL ALLIANCE OF BUSINESS

Work•America

THE BUSINESS VOICE ON WORKFORCE DEVELOPMENT

Skills Certificates Signal Competencies in a Demand-Driven Economy

As U.S. businesses move at a furious pace to compete in the global economy, their knowledge and skill needs are changing at breakneck speed as well. In this environment, it is paramount for employers, employees, educators and trainers to know — at any given time — the competency demands of the workplace.

Increasingly, skills certificates represent the "shorthand" for this information — and are becoming a valuable new currency in the job market. The evidence: Skills certificates and certificate programs are proliferating — untracked, for the most part — in all industries across the nation. Rapidly changing skills demands are driving this proliferation, and in the new economy, certificates respond to three urgent needs:

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Together, Businesses, Training Providers Set Standards for Skills Certificates

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Certificates Make Community Colleges a Hot Spot in Skills Training

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Market-driven, competency-based skills certificates quickly communicate what people know and can do — and one day may help communicate about knowledge and skills among K–12 schools, school-to-work programs, postsecondary schools, workforce training programs and employers.

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Viewpoint

No one needs reminding that the pace of business is escalating. One of the three or four major obstacles companies face in keeping up with this quickening pace is in the labor market, or the knowledge supply chain. We at Kepner-Tregoe work every day to help companies build and manage their knowledge resources, and we know that any employer's key concerns are to match the skill demands of a job with a person possessing those skills — and to do so quickly. Increasingly, certificates are crucial to helping the labor market move at the speed of business.

At the same time, workers are eager to secure good jobs and advance. But for them, too, time is money, and they don't want to waste time on either education or training that does not generate knowledge and skills that are directly marketable. More and more, certificates are playing a key role in informing learners about the value of particular courses or programs in the job marketplace. For employers, workers and educator/trainers, certificates speed up the market by clarifying supply and demand signals.

So it is not surprising that the number of certificates and certificate programs is proliferating in all industries across the country. There are information technology programming certificates, customer service certificates, seminar completion certificates, even good behavior certificates. But when all is said and done, a certificate is just a piece of paper. What imbues this piece of paper with value is whether it:

- is developed by or with employers;
- emanates from a competency-based curriculum;
- measures competency; and
- is an employer-based certificate.

This is why the National Alliance of Business is beginning to work with employers to sort out how certificates most effectively can play their role as signalers of workplace skills and knowledge requirements — and confirmation that certified individuals possess them. It is imperative that business set standards to clarify for schools and workers how to maximize the benefit from this important new development.

Bruce D Keener

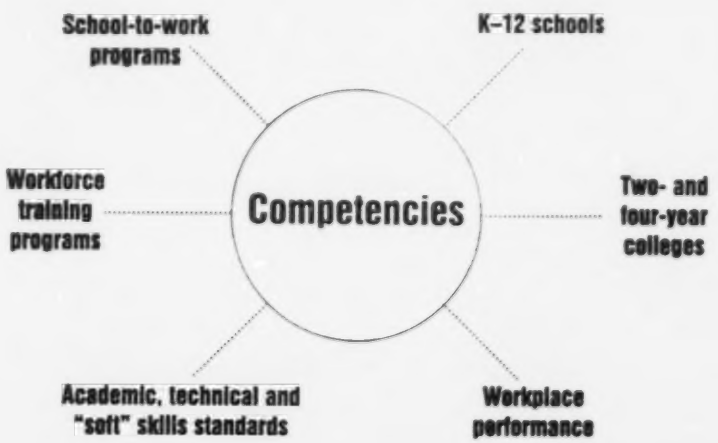
Bruce D. Keener
President and CEO
Kepner-Tregoe, Inc.

A Single Unifying Device in K–80 Learning

Skills certificates can help K–12 schools, school-to-work programs, two- and four-year colleges, workforce training programs, and employers understand the knowledge and skills demands of workplaces.

If skills expectations — including academic skills, technical skills and "soft" skills — are spelled out in the form of standards, all education and training providers, employers, students, and employees can have a clear vision of what is important to know to succeed today.

It is crucial that employers help develop the certificate programs, which should certify people's competencies. Outcomes, not inputs, are what matters.



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Together, Businesses, Training Providers Set Standards for Skills Certificates

One of the biggest challenges Robert Freedman faces as a regional director for BellSouth is getting and retaining good technical and service representatives in the Charlotte, N.C., area. And because Charlotte is one of the nation's biggest financial centers, he's competing for those workers with many other companies.

"We're a big call center city, and technology is an industry that is evolving faster than anybody ever dreamed it would. So, people who can do that kind of work are in great demand," he says.

Freedman, along with his counterparts in many other companies in the Charlotte area, turns to the local community college for its supply of skilled workers.

The process is collaborative: BellSouth managers and technical experts sit down with Central Piedmont Community College instructional development staff and discuss the company's needs and the kinds of workers and skills the company is looking for. "It's a partnership among the business community, the community college and the workforce," Freedman says.

BellSouth, along with most other businesses today, is outsourcing more and more of its training and relying increasingly on local colleges, vocational-technical schools, and for-profit and proprietary training centers to supply them with skilled workers. As workers advance within companies, they also go outside their companies to upgrade their skills.

A New Model: 'Coopetition'

Increasingly, companies are engaging in training "coopetition," says Robert Atkinson, director of the technology and new economy project at the Progressive Policy Institute. While companies are competing with one another for customers, they also are collaborating on standards for training and on ways to credential and certify job skills.

For companies that use telecommunications technology for voice, data and video, the MultiMedia Telecommunications Association (MMTA) has established a credentialing program to help companies within that segment of the information technology field.

"We got into the testing business to make sure we could measure what people know."

— Mary Bradshaw, president, MultiMedia Telecommunications Association

"The employers are the drivers of this," says Mary Bradshaw, MMTA president. "The problem is that employers have been spending a great deal of money sending people to training, and they haven't necessarily known what they learned. We got into the testing business to make sure we could measure what people know."

Determining Worker Competencies

The need is the same in this segment of the information technology industry as in the rest: The demand for skilled workers to perform specific tasks far outweighs the supply, and as a result, companies are raiding one another to get the workers they need. Because MMTA's member companies need people who are versed in voice, data and video, they need employees with cross-industry training, and companies need a way to determine the competencies of the workers they hire.

MMTA's credentialing program also helps companies screen potential partners and know the extent to which they are able to handle a broad array of products that involve different types of media. In this way, "they can conserve their training dollars," Bradshaw says.

The hospitality industry began a skills certification program three years ago and now has 16 categories of line-level workers for which the industry has set performance standards. The categories range from front desk agent to restaurant server. In addition, the industry has 14 programs for upper-level staff, including general managers and corporate executives.

With standards in place, hotels can be assured that workers are competent to perform the skills for which they are certified, says Paul Jacobs, director of professional certification for the Education Institute of the American Hotel and Motel Association. The benefit to employees is recognition, which he says is the number-one motivator for hospitality industry workers. ●

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Skills Certificates

continued from page 1

- communicating employer knowledge and skill requirements (also known as competencies);
- ensuring the development of competency-driven programs, curricula and outcomes; and
- providing a competency measurement in an employer-recognized credential.

Not Just Any Certificates

The certificate trend is changing the profile of "educated" workers — and the sum and substance of education and training on a grand scale as well.

In the last 10 years, college and university degrees have not kept up with the demands of the workplace. Now, businesses and industries are identifying the skills their workers need, seeking partnerships with educational institutions and for-profit centers to provide training, and setting the standards on which skills certificates are based, according to Tony Zeiss, president of Central Piedmont Community College in Charlotte, N.C., and a former president of the American Association of Community Colleges.

Ironically, while skills certificates are tied less to traditional academic venues than diplomas or degrees are, they are poised to become the single unifying device for communicating knowledge and skills among K–12 schools, school-to-work programs, two- and four-year colleges, workforce training programs, and employers.

Quality of Certificates

Still, there is a great deal of confusion about the quality of the knowledge and skills that certificates represent.

As innovation and knowledge requirements maintain their rapid pace of change, certificate program creation and use will continue to grow. However, without quality standards, certificates themselves could lose their relevance in the marketplace. Now more than ever before, employers are looking for clear explanations and guarantees of what individuals know and can do. To be valuable and relevant, employers and educators say, certificates must represent a common understanding of business needs — performance and competencies, not seat time.

Furthermore, there is a growing trend toward comprehensive competency certificates, which reflect competencies across three skill areas: academic, technical and "soft" skills. When skill expectations are spelled out in the form of standards, then individuals, education and training providers, employers, students, job candidates, and employees will have a clear vision of the specific skills and knowledge that are important to succeed in the marketplace today and tomorrow. (For details, see Principles of Quality Skill Certificates, page 5.)

A "Stackable" Credential

"The relentless pace of technology, which gives you access to information, business opportunities and other economies, has changed the way we do business, and it clearly places a lot more demands on workers to keep up," says Cynthia Pantazis, director of policy and public leadership for the American Society for Training and Development.

In the minds of many business leaders, certificates have many advantages for employers and employees in this new environment. For employers, they represent specific skills that give employers a time-saving way to assess the competencies of potential workers.

For employees, certificates offer a valuable alternative or add-on to academic degrees to increase and demonstrate their marketable competencies. Indeed, certificates can be stackable — either as a foundation, or building block, for more training or as a follow-up that builds on previous training. They allow potential workers and existing employees to upgrade their skills and differentiate themselves within a market. Thus, certificates can stand alone or fit like puzzle pieces with other certificates and credentials to build a portable "toolkit" for the certificate holder.

Many people seeking skills training and certification already have bachelor's and more advanced degrees — even though only 20 percent of all jobs require these degrees. Many who have these degrees want specific training to be better equipped to get a job or move up the career ladder, says Zeiss.

"A certification in the hand of an employee, whether or not they have a college degree, is money in the bank," says Phyllis Eisen, executive director of the National Association of Manufacturers' Center for Workforce Success.

Traditional Education as a Demand-Driven System

In some respects, the business community is turning the traditional academic model of education on its head, as people with four-year degrees go to community colleges to make themselves more marketable, says Terry O'Banion, senior fellow and president emeritus of the League for Innovation in the Community College. Skills training is "more immediate, it's more flexible, it's more focused, and in most cases, it's designed with input from business and industry themselves."

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As working adults find it harder to justify taking off two years or more to go back to college for a degree, they are turning to training programs that fill their knowledge gaps in anywhere from two weeks to less than a year. And aside from being less expensive in terms of both time and, generally, tuition, skills certification offers more security to both employers and potential workers, says Robert Atkinson, director of the technology and new economy project at the Progressive Policy Institute. Employers have more assurance of what they're getting, and prospective employees know they are getting something that has tangible worth in the marketplace.

Options in the training marketplace have increased, with the rise of for-profit training centers and online training providers, as well as companies like Cisco Systems Inc., which now offers its 280-hour course leading to certification as a networking associate in 3,400 locations in all 50 states and 61 countries.

What's happening today on the training front in all industries resembles the industry push that led in 1972 to the Automotive Service Excellence program that certifies automotive mechanics, says Tom Saterfiel, senior vice president for workforce and professional services at ACT Inc., best known for its college entrance exams. The program succeeded because "there was a major push by the industry to make it work," he says.

A Model That Relies on K–12 Achievement

Saterfiel and others also believe that preparing a knowledgeable workforce must begin in elementary school and continue through high school. For students to succeed in short-term, often intensive certificate training programs and in today's workplaces in general, they must have a solid foundation on which to build. That foundation covers not only academic and technical competencies but also "soft" skills, which include such abilities as communicating, problem solving, observing, listening, locating information and teamwork.

Employers are recognizing that foundational knowledge must be built in a lengthy process that begins in kindergarten. "You can't give someone a crash course for three weeks to make up for what they didn't learn for 12 years," Saterfiel says.

Referring to an estimated 346,000 unfilled information technology jobs in U.S. companies, Saterfiel says those jobs, which pay a higher average salary than the private sector overall, are vacant not because people don't want to learn the job skills. "There is a higher level of foundational skills than people understand that is necessary to step into those training programs and get through them successfully." ●

Principles of Quality Skill Certificates

While it is too early to state definitively the characteristics of a quality skills certificate, there are some important questions for the business and education communities to consider, including:

- What does a certificate need to show in order for employers to require it?
- How do you ensure that a certificate is linked to employer demand?
- How do you ensure that a certificate is supported by curricula that are calibrated to skills standards?
- How do you ensure that a certificate certifies competencies?
- Should a certificate reflect technical competencies only, or academic and soft skill competencies as well?
- How easily does a certificate link to other certificates and credentials?
- How do you ensure that a certificate is widely recognized and required by employers throughout a region, an industry or the nation?
- How important is it that the certificate carries academic credit?
- How do you ensure that a certificate is "stackable" — that it either provides foundation for other training and credentials or obviously builds on other certificates and learning?

The National Alliance of Business is interested in your responses to and experiences with these questions and ideas. To share your stories, call Erin Nicholson, program director, at 202/289-2972. ●

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Certificates Make Community Colleges A Hot Spot in Skills Training

About 70,000 students are enrolled at Central Piedmont Community College in Charlotte, N.C., but 60 percent of them don't care whether they get college credit for the courses they take. In fact, some already have a bachelor's degree. What they want is a skills certificate.

Job training programs that focus on specific sets of occupational skills are becoming a fast track to good jobs, especially in the information technology field, where employers face a serious shortage of skilled workers. And community colleges are natural partners for businesses and industries seeking to build a supply chain of workers, says Tony Zeiss, president of Central Piedmont and former president of the American Association of Community Colleges.

"The majority of the skills needed are at the technician level and below, and that's what community colleges do," Zeiss says. Community colleges also are less expensive than four-year colleges and universities — and they are convenient, with 1,100 of them located in communities across the nation.

Zeiss says that community colleges always have worked closely with business and industry. For every technical degree program that Central Piedmont offers, an advisory committee comprising people within the relevant industry provides guidance on the skills and competencies that are needed. "Whether it's dental hygienists or welders, what we've been doing is saving [to business and industry], 'Tell us what needs to be taught, and that's what we'll teach.'"

Business, Industry Generate the Need

At Austin Community College in Texas, all of the programs offered by the school's workforce education unit have industry involvement, says Thomas Applegate, dean of workforce education. The college offers 145 workforce training programs, ranging from semiconductor manufacturing technology and ultrahigh-purity piping to nursing and culinary arts.

"We wouldn't start a program unless the need for it were generated by business and industry," he says. "They help us set the standard for the curriculum."

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— Thomas Applegate, dean of workforce education, Austin Community College

Many of Austin Community College's workforce education programs were designed in collaboration with the computer chip manufacturing plants that populate the Austin area, and the programs are subsidized heavily by the industry. "As soon as people have obtained minimal skills, which sometimes is prior to the awarding of a one-year certificate, the chip plants snap them up," he says.

Using Technology to Assess Competencies

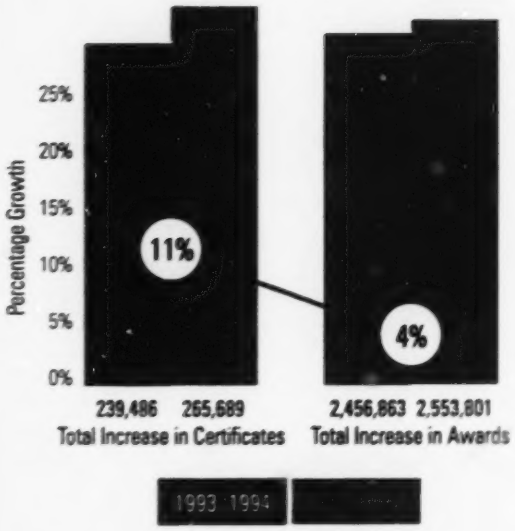
Austin Community College is one of the first community colleges to host an ACT computerized testing and training center. ACT Inc., a nonprofit organization best known for its college entrance exams, is setting up a network of 250 centers, all located at community colleges, that will assess workers' and potential workers' skills and offer a library of training programs involving computers, the Internet and other emerging technologies.

At Austin, as at Central Piedmont, the emphasis in workforce development programs is in making the material relevant to today's dynamic job marketplace. Instead of making people wait until the next semester to pick up a course, Zeiss says, Central Piedmont regularly offers "short, fast-track courses," some of which are only a week long. The college also offers courses over the Internet and on cable television and videocassettes.

"The old semester model is still working for recent high school graduates because that's the accepted model, but my average student is 34 years old, she's working, she's got children, and she needs [the courses] delivered in a convenient fashion," Zeiss says. "We have to learn to do a better job of treating our students as consumers and give them what they want when and how they want it." ●

Facts & Figures

Short-Term Certificates, Awards Show Fastest Rise

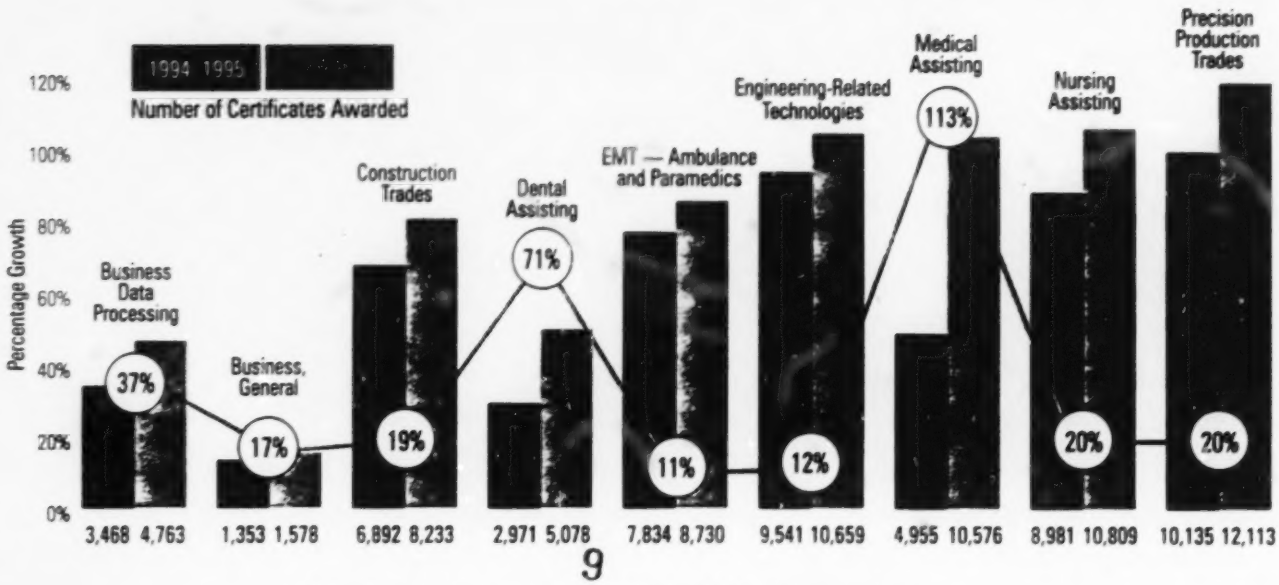


Source: Digest of Education Statistics, 1999, National Center for Education Statistics

Top 10 Community College Certificates, 1996–97

Source: National Center for Education Statistics, IPEDS Data Files

Growth Skyrockets in Selected Certificates



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The National Alliance of Business is a national business organization focused solely on increasing student achievement and improving the competitiveness of the workforce. The Alliance's members include CEOs and senior executives of Fortune 500 companies, educators, and business-led coalitions. Together, the Alliance and its members are leading efforts to strengthen the link between education and the workplace and promote training and lifelong learning.

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